



# Education Facility Impact Fee Study

*Prepared for:*  
*Williamson County, Tennessee*

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## EXECUTIVE SUMMARY

TischlerBise was retained by Williamson County, Tennessee, to calculate impact fees for public schools to meet the demands generated by new residential development for school facilities in the County. The County has been granted authority by the State to implement impact fees for school facilities by private act of the Tennessee General Assembly. Education facility impact fees were adopted under Resolution 11-16-6, Section 10, which mandates the fees be updated every three years.

Impact fees are one-time payments used to defray the cost impacts of school facilities necessary to accommodate new development. The payment amount represents new growth's fair share of capital facility needs. TischlerBise evaluated possible methodologies and documented appropriate demand indicators by type of development for the fee amounts. Specific capital costs have been identified using local data and current dollars. Level-of-service (LOS) standards and cost factors are presented in this report and are the basis for the calculations. It should be noted that although growth affects both capital and operating expenses incurred by schools, the impact fee analysis addresses new development's impact on *capital* facilities only. It is further limited to capital improvements that provide additional capacity as opposed to maintenance or rehabilitation.

Williamson County is served by two school systems, Williamson County Schools (WCS) and the Franklin Special School District (FSSD). Students living in FSSD attend these schools from kindergarten to eighth grade, after which they attend WCS high schools. This report details only impact fees for WCS. New residential construction located in FSSD will be charged for only the high school component of the WCS impact fee, since students generated from these homes will only attend William County Schools for high school.

## IMPACT FEE METHODOLOGIES

There are three basic methodologies used to calculate impact fees. The **incremental expansion method** documents the current levels-of-service for each type of public facility in both quantitative and qualitative measures. The intent is to use fee revenue to expand or provide additional facilities, as needed to accommodate new development, based on the current cost to provide capital improvements. The **plan-based method** is commonly used for public facilities that have adopted plans or engineering studies to guide capital improvements, such as utility systems. A third approach, known as the **cost recovery method**, is based on the rationale that new development is paying for its share of the useful life and remaining unused capacity of an existing facility or land.

Maximum supportable education facility impact fees for Williamson County Schools are derived using the incremental expansion approach. For school capital improvements, the most common methodology employed is typically the incremental expansion method when future capacity needs are anticipated. This approach allows for the greatest flexibility in providing future capacity improvements. Under this methodology, the fees are based on current levels-of-service and costs for each type of school facility (i.e., grades K-8 and grades 9-12), land, support facilities, and buses. The level-of-service is documented, and the intent is to use fee revenue to provide additional or expanded public school and related facilities as needed to accommodate new development.

The current level-of-service and capital costs for new or expanded facilities are used to derive a cost per student for each type of school facility. Using the cost per student and the average Williamson County Schools student generation rate by size of unit, a cost per residential unit is derived. The term “student generation rate” refers to the average number of public school students per housing unit in the Williamson County School system. Further discussion on student generation rate calculations is provided in the body of this report and in Appendix A.

A general requirement common to impact fee calculations is the evaluation of *credits*. Two types of credits should be considered, **credits for offsetting revenue** and **site-specific credits**. Credits for offsetting revenue are necessary to avoid potential double payment situations arising from the payment of a one-time impact fee plus the payment of other revenues (e.g., Adequate School Facility Privilege Tax) that may also fund growth-related capital improvements. Credits for offsetting revenue are dependent upon the fee methodology used in the cost analysis. To avoid this potential double payment situation, credits for offsetting revenue are integrated into the impact fee methodology to account for privilege tax revenue used to retire outstanding debt on Williamson County School facilities. A credit is necessary since new residential units that will pay the education facility impact fee will also contribute one-time Adequate School Facility Privilege Tax and Adequate Facilities Privilege Tax revenue used by Williamson County to fund school capacity.

The second type of credit, a site-specific credit, is for school-related land or facilities that have been included in the education facility impact fee calculations. Policies and procedures related to site-specific credits for system improvements should be addressed in the resolution that establishes the County’s education facility impact fees. However, the general concept is that developers may be eligible for site-specific credits or reimbursements *only if they provide land or construct school improvements that have been included in the education facility impact fee calculations*.

## **Rounding**

A note on rounding: calculations throughout this report are based on an analysis conducted using Excel software. Most results are discussed in the report using two, three, and four-digit places, which represent rounded figures. However, the analysis itself uses figures carried to their ultimate decimal places; therefore, the sums and products generated in the analysis may not equal the sum or product if the reader replicates the calculation with the factors shown in the report (due to the rounding of figures shown, not in the analysis).

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## **CURRENT EDUCATION FACILITY IMPACT FEES**

The County’s current education facility impact fees are shown below in Figure 1. Fees for grade K-12 are assessed in all areas of the County outside the Franklin Special School District. Within the Franklin Special School District, fees are only assessed at the high school level, as the Franklin Special School District provides elementary and middle school space.

**Figure 1: Current Education Facility Impact Fees**

<b>MAXIMUM ALLOWABLE SCHOOL IMPACT FEES: Williamson Co. Schools</b> (outside Franklin Special School District boundaries)	
<b>Impact Fee per Housing Unit*</b>	<b>School Level</b>
	<b>K-12</b>
<b>Dwelling Unit Size</b>	
1,399 square feet or less	<b>\$2,827</b>
1,400 - 1,899 square feet	<b>\$5,317</b>
1,900 - 2,399 square feet	<b>\$7,220</b>
2,400 - 2,899 square feet	<b>\$8,788</b>
2,900 - 3,399 square feet	<b>\$10,074</b>
3,400 square feet or more	<b>\$11,210</b>
 <b>MAXIMUM ALLOWABLE SCHOOL IMPACT FEES: Williamson Co. Schools</b> (inside Franklin Special School District boundaries)	
<b>Impact Fee per Housing Unit*</b>	<b>School Level</b>
	<b>9-12</b>
<b>Dwelling Unit Size</b>	
1,399 square feet or less	<b>\$1,145</b>
1,400 - 1,899 square feet	<b>\$1,914</b>
1,900 - 2,399 square feet	<b>\$2,502</b>
2,400 - 2,899 square feet	<b>\$2,993</b>
2,900 - 3,399 square feet	<b>\$3,386</b>
3,400 square feet or more	<b>\$3,745</b>

*\*Fees do not apply to age-restricted units*

### MAXIMUM SUPPORTABLE EDUCATION FACILITY IMPACT FEES

Education facility impact fees are applied only to residential development and are calculated per housing unit, reflecting the proportionate demand by type of unit. The amounts shown are “maximum supportable” amounts based on the methodologies, level-of-service standards, and costs for the school capital improvements identified herein. The fees represent the highest amount feasible for each type of applicable development, which represent new growth’s fair share of the education facility capital costs as detailed in this report. The County can adopt amounts that are lower than the maximum amounts shown. However, a reduction in fee revenue will necessitate an increase in other revenues, a decrease in planned capital expenditures, and/or a decrease in level-of-service.

The top of Figure 2 provides the schedule of *maximum supportable education facility impact fees* for residential units *outside* of the Franklin Special School District. The bottom section of Figure 2 summarizes the maximum supportable education facility impact fee within the Franklin Special School District.

**Figure 2: Proposed Development Fees**

<b>MAXIMUM ALLOWABLE EDUCATION FACILITY IMPACT FEES: Williamson Co. Schools</b> (outside Franklin Special School District boundaries)			
<b>Impact Fee per Housing Unit*</b>	<b>School Level</b>	<b>Current Fees</b>	<b>Difference</b>
	<b>K-12</b>		
<b>Dwelling Unit Size</b>			
1,399 square feet or less	\$3,375	\$2,827	\$548
1,400 - 1,899 square feet	\$6,021	\$5,317	\$704
1,900 - 2,399 square feet	\$8,038	\$7,220	\$818
2,400 - 2,899 square feet	\$9,685	\$8,788	\$897
2,900 - 3,399 square feet	\$11,053	\$10,074	\$979
3,400 square feet or more	\$12,244	\$11,210	\$1,034
<b>MAXIMUM ALLOWABLE EDUCATION FACILITY IMPACT FEES: Williamson Co. Schools</b> (inside Franklin Special School District boundaries)			
<b>Impact Fee per Housing Unit*</b>	<b>School Level</b>	<b>Current Fees</b>	<b>Difference</b>
	<b>9-12</b>		
<b>Dwelling Unit Size</b>			
1,399 square feet or less	\$1,105	\$1,145	(\$40)
1,400 - 1,899 square feet	\$2,114	\$1,914	\$200
1,900 - 2,399 square feet	\$2,895	\$2,502	\$393
2,400 - 2,899 square feet	\$3,523	\$2,993	\$530
2,900 - 3,399 square feet	\$4,057	\$3,386	\$671
3,400 square feet or more	\$4,514	\$3,745	\$769

\*Fees do not apply to age-restricted units

## OVERVIEW OF IMPACT FEES

Impact fees are one-time payments used to fund capital improvements necessitated by new growth. This type of fee has been utilized by local governments in various forms for at least 50 years. Impact fees have limitations and should not be regarded as the total solution for infrastructure financing needs. Rather, they should be considered one component of a comprehensive portfolio to ensure adequate provision of public facilities with the goal of maintaining current levels-of-service in a community in the face of new growth.

### LEGAL FRAMEWORK

*U.S. Constitution.* Like all land use regulations, development exactions—including impact fees—are subject to the Fifth Amendment prohibition on taking of private property for public use without just compensation. Both state and federal courts have recognized the imposition of impact fees on development as a legitimate form of land use regulation, provided the fees meet standards intended to protect against regulatory takings. To comply with the Fifth Amendment, development regulations must be shown to substantially advance a legitimate governmental interest. In the case of impact fees, that interest is the protection of public health, safety, and welfare by ensuring that development is not detrimental to the quality of essential public services.

There is little federal case law specifically dealing with impact fees, although other rulings on other types of exactions (e.g., land dedication requirements) are relevant. In one of the most important exaction cases, the U. S. Supreme Court found that a government agency imposing exactions on development must demonstrate an “essential nexus” between the exaction and the interest being protected (see *Nollan v. California Coastal Commission*, 1987). In a more recent case (*Dolan v. City of Tigard, OR*, 1994), the Court ruled that an exaction also must be “roughly proportional” to the burden created by development. However, the *Dolan* decision appeared to set a higher standard of review for mandatory dedications of land than for monetary exactions such as impact fees.

### REQUIRED FINDINGS

There are three reasonable relationship requirements for impact fees that are closely related to “rational nexus” or “reasonable relationship” requirements enunciated by a number of state courts. Although the term “dual rational nexus” is often used to characterize the standard by which courts evaluate the validity of impact fees under the U.S. Constitution, we prefer a more rigorous formulation that recognizes three elements: “impact or need,” “benefit,” and “proportionality.” The dual rational nexus test explicitly addresses only the first two, although proportionality is reasonably implied, and was specifically mentioned by the U.S. Supreme Court in the *Dolan* case. The reasonable relationship language of the statute is considered less strict than the rational nexus standard used by many courts. Individual elements of the nexus standard are discussed further in the following paragraphs.

***Demonstrating an Impact.*** All new development in a community creates additional demands on some, or all, public facilities provided by local government. If the supply of facilities is not increased to satisfy that additional demand, the quality or availability of public services for the entire community will deteriorate. Impact fees may be used to recover the cost of development-related facilities, but only to the extent that the need for facilities is a consequence of development that is subject to the fees. The *Nollan* decision reinforced the principle that development exactions may be



used only to mitigate conditions created by the developments upon which they are imposed. That principle clearly applies to impact fees. In this study, the impact of development on improvement needs is analyzed in terms of quantifiable relationships between various types of development and the demand for specific facilities, based on applicable level-of-service standards.

***Demonstrating a Benefit.*** A sufficient benefit relationship requires that fee revenues be segregated from other funds and expended only on the facilities for which the fees were charged. Fees must be expended in a timely manner and the facilities funded by the fees must serve the development paying the fees. Procedures for the earmarking and expenditure of fee revenues are typically mandated by the State enabling act, as are procedures to ensure that the fees are expended expeditiously or refunded. All of these requirements are intended to ensure that developments benefit from the fees they are required to pay. Thus, an adequate showing of benefit must address procedural as well as substantive issues.

***Demonstrating Proportionality.*** The requirement that exactions be proportional to the impacts of development was clearly stated by the U.S. Supreme Court in the *Dolan* case (although the relevance of that decision to impact fees has been debated) and is logically necessary to establish a proper nexus. Proportionality is established through the procedures used to identify development-related facility costs, and in the methods used to calculate impact fees for various types of facilities and categories of development. The demand for facilities is measured in terms of relevant and measurable attributes of development. For example, the need for school improvements is measured by the number of public school-age children generated by development.

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## METHODOLOGIES AND CREDITS

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Any one of several legitimate methods may be used to calculate impact fees. The choice of a particular method depends primarily on the service characteristics and planning requirements for the facility type being addressed. Each method has advantages and disadvantages in a particular situation, and to some extent can be interchangeable, because each allocates facility costs in proportion to the needs created by development.

Reduced to its simplest terms, the process of calculating impact fees involves two main steps: (1) determining the cost of development-related capital improvements and (2) allocating those costs equitably to various types of development. In practice, though, the calculation of impact fees can become quite complicated because of the many variables involved in defining the relationship between development and the need for facilities. The following paragraphs discuss three basic methods for calculating impact fees and how those methods can be applied.

***Plan-Based Fee Calculation.*** The plan-based method allocates costs for a specified set of improvements to a specified amount of development. The improvements are identified by a facility plan and development is identified by a land use plan. In this method, the total cost of relevant facilities is divided by total demand to calculate a cost per unit of demand. Then, the cost per unit of demand is multiplied by the amount of demand per unit of development (e.g. housing units or square feet of building area) in each category to arrive at a cost per specific unit of development (e.g., single family detached unit).

**Cost Recovery Fee Calculation.** The rationale for the cost recovery approach is that new development is paying for its share of the useful life and remaining capacity of facilities already built or land already purchased from which new growth will benefit. To calculate a fee using the cost recovery approach, the facility cost is divided by ultimate number of demand units (e.g., students) the facility will serve.

**Incremental Expansion Fee Calculation.** The incremental expansion method documents the current level-of-service for school facilities in both quantitative and qualitative measures, based on an existing service standard (such as square feet per student). The level-of-service standards are determined in a manner similar to the current replacement cost approach used by property insurance companies. However, in contrast to insurance practices, the fee revenues would not be for renewal and/or replacement of existing facilities. Rather, revenue will be used to expand or provide additional facilities, as needed, to accommodate new development. An incremental expansion cost method is best suited for public facilities that will be expanded in regular increments, with level-of-service standards based on current conditions in the community.

**Credits.** Regardless of the methodology, a consideration of “credits” is integral to the development of a legally valid impact fee methodology. There are two types of “credits” each with specific, distinct characteristics, but both of which should be addressed in the calculation of impact fees. The first is a credit due to possible double payment situations. This could occur when contributions are made by the property owner toward the capital costs of the public facility covered by the impact fee. This type of credit is integrated into the impact fee calculation. The second is a credit toward the payment of a fee for dedication of public sites or improvements provided by the developer and for which the impact fee is imposed. This type of credit is addressed in the administration and implementation of an impact fee program.

## WILLIAMSON COUNTY EDUCATION FACILITY IMPACT FEE OVERVIEW

The County has seen significant residential growth over the past several years and with it increased enrollment. Growth is expected to continue in the future, as shown below in the enrollment projections (Figure 6). To ensure that Williamson County Schools have adequate capacity to accommodate growth, Williamson County implemented impact fees for schools. The County has been granted authority by the State to implement impact fees for schools by Private Act of the Tennessee General Assembly.

Williamson County is served by two school systems, Williamson County Schools (WCS) and Franklin Special School District (FSSD). Students living in FSSD attend FSSD schools from kindergarten to eighth grade, after which they attend WCS high schools. ***This report details only impact fees for WCS.*** New residential construction located in FSSD will be charged for only the high school component of the WCS impact fee, since students generated from these homes will only attend WCS for high school.

Williamson County education facility impact fees are derived using the incremental expansion approach. This approach determines current level-of-service standards for school buildings (elementary and middle schools and high schools), land, support facilities, and buses. Level-of-service standards are expressed as follows:

- School buildings: Square feet per student by type of school;
- Land: Acres per student by type of school;
- Support facilities: Square feet per student; and
- Buses: Number of buses per student.

A credit for offsetting revenue is included in the education facility impact fee to account for other forms of payment for Williamson County School capacity expansion improvements. Further detail on the approach, level-of-service standards, costs, and credits is provided in the body of this report.

## ENROLLMENT PROJECTIONS AND STUDENT GENERATION RATES

### ENROLLMENT PROJECTIONS

Enrollment projections were provided by Williamson County School staff and are based on active developments as of April 2019. As shown in Figure 3, enrollment in Williamson County Schools in August of 2019 is 40,998. By the school year 2023-24, Williamson County Schools is projected to have a total enrollment of 48,274, a 4-year increase of 7,276 students.

**Figure 3: Enrollment Projections**

**Enrollment Projections [1]**

	2019-20 [2]	2020-21	2021-22	2022-23	2023-24	Total Change	Annual Growth Rate
Elementary and Middle	27,481	28,959	30,129	31,311	32,490		3.6%
<i>Net Change</i>		1,478	1,170	1,182	1,179	5,009	
High	13,517	14,157	14,700	15,231	15,784		3.4%
<i>Net Change</i>		640	543	531	553	2,267	
<b>Total</b>	<b>40,998</b>	<b>43,116</b>	<b>44,829</b>	<b>46,542</b>	<b>48,274</b>		3.5%
<i>Net Change</i>		2,118	1,713	1,713	1,732	7,276	

[1] Williamson County Schools projections. Does not include PK/EC

[2] August 12, 2019 attendance

### STUDENT GENERATION RATES

Demand for additional school capacity will come from new residential development. To determine the level of this demand, student generation rates are used. The term “student generation rate” refers to the number of public school students per housing unit in the Williamson County School system. Public school students are a subset of school-aged children, which includes students in private schools and home-schooled children.

Student generation rates are important demographic factors that help account for variations in demand for school facilities by type of housing. Students per housing unit are held constant over the projection period since the impact fees represent a “snapshot approach” of current level-of-service standards and costs.

#### Student Generation Rates by Unit Size

Student generation rates by unit size for Williamson County can be derived using custom tabulations of demographic data from survey responses provided by the U.S. Census Bureau in files known as Public Use Micro-Data Samples (PUMS). TischlerBise used Census American Community Survey (ACS) 1-Year 2017 PUMS data to derive number of students per housing unit by type of unit. Williamson County is coterminous with Public Use Micro-Data Area (PUMA) 2600. This is shown in Figure 4.

**Figure 4: School Age Children by Bedroom Count**

<b>Estimated Williamson County Public School Students by Housing Unit Type and Number of Bedrooms</b>						Students
						Williamson Co. 2017
<b>K-8 Students</b>	<i>Bedrooms</i>			<i>TOTAL</i>		
	<i>0-2</i>	<i>3</i>	<i>4+</i>			
All Housing	1,189	5,787	16,708	23,685		
				0		
TOTAL				23,685	25,815	
<b>9-12 Students</b>	<i>Bedrooms</i>			<i>TOTAL</i>		
	<i>0-2</i>	<i>3</i>	<i>4+</i>			
All Housing	515	2,953	9,058	12,526		
				0		
TOTAL				12,526	12,868	
Grand Total (all grades)				36,211	38,683	
<b>Housing Units</b>	<i>Bedrooms</i>			<i>TOTAL</i>		
	<i>0-2</i>	<i>3</i>	<i>4+</i>			
All Housing	10,425	25,667	40,393	76,485	76,485	
TOTAL	10,425	25,667	40,393	76,485	76,485	

Source: Cross tabulation by TischlerBise using  
 Census Bureau, 5-Year 2017 American Community Survey  
 PUMS data for Tennessee PUMA 02600.

Using the PUMS data files, TischlerBise first calculated student generation rates based on the number of students in residential units of different bedroom sizes. This was done for each school level (i.e. grades K-8 and grades 9-12) by housing unit type. Unadjusted student generation rates by housing unit size were calculated by dividing the number of students in each type of unit by the number of units in each size category from the sample. These rates were then adjusted using control totals based on 2017 Williamson County enrollment figures and American Community Survey housing unit estimates (Figure 5).

**Figure 5: Student Generation Rates by Bedroom Count**

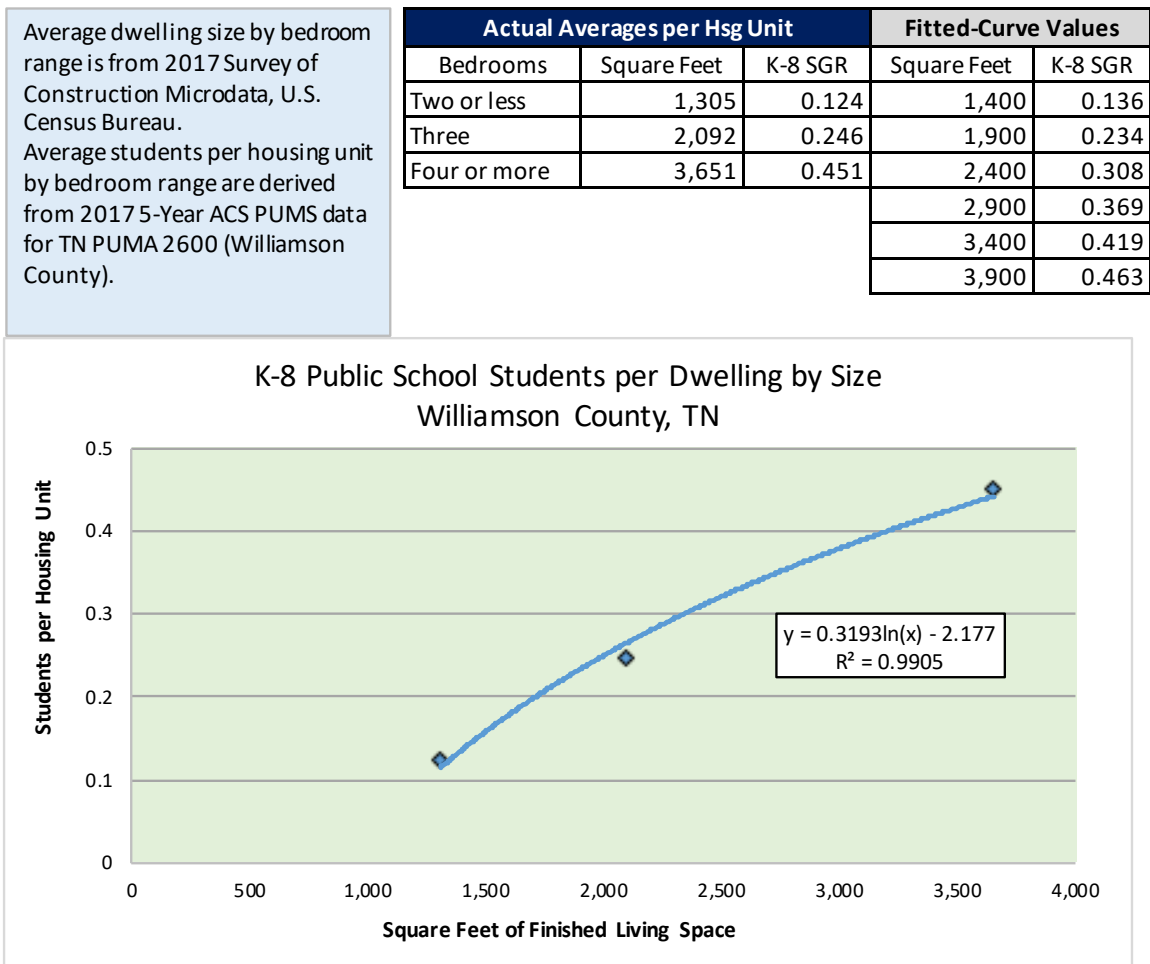
Public School Students by Bedroom Range					
Williamson County 2017 PUMS Survey Results					
Bedroom Range	Grades K-8 Students [1]	Housing Units [1]	Housing Mix	Unadjusted Students/HU	Adjusted Students/HU [2]
Two or less	60	526	14%	0.114	0.124
Three	292	1,295	34%	0.225	0.246
Four or more	843	2,038	53%	0.414	0.451
Total	1,195	3,859		0.310	0.338

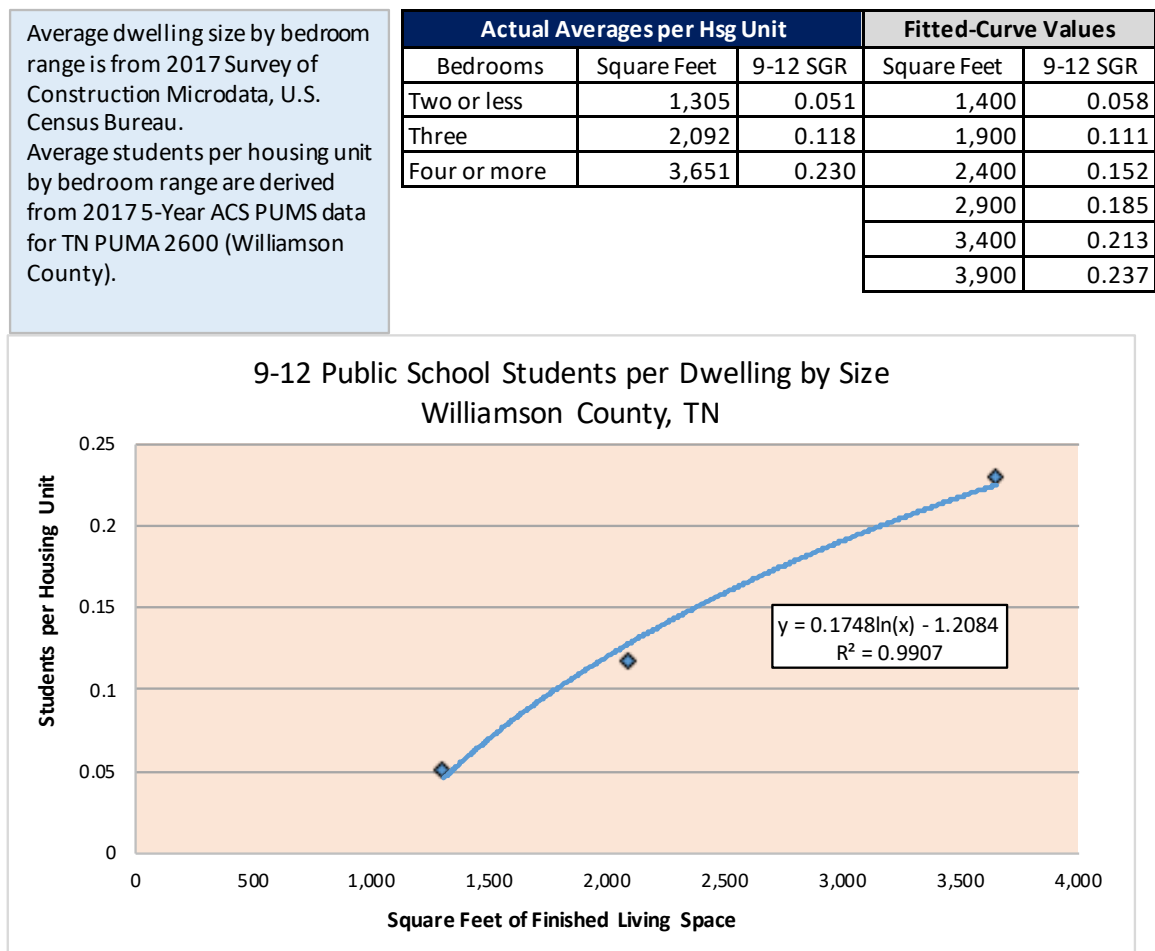
Bedroom Range	Grades 9-12 Students [1]	Housing Units [1]	Housing Mix	Unadjusted Students/HU	Adjusted Students/HU [2]
Two or less	26	526	14%	0.049	0.051
Three	149	1,295	34%	0.115	0.118
Four or more	457	2,038	53%	0.224	0.230
Total	632	3,859		0.164	0.168

[1] Source: American Community Survey, Public Use Microdata Sample for TN PUMA 2600, 2017 5-Year data

[2] Adjusted multipliers are scaled to make the average PUMS value match control totals based on 2017 Williamson County Fall enrollment and housing unit estimates from ACS table B25024

To convert bedroom count rates to rates by home size, TischlerBise used data from the U.S. Census Bureau's Survey of Construction Microdata (2013) for Region 6 (East South Central). These data indicated that dwelling units in this region averaged 1,264 square feet for two-bedroom units, 1,967 square feet for three bedroom units, and 3,438 square feet for units with four or more bedrooms. These averages were then used to conduct a fitted curve analysis to determine the student generation rates for various square footage totals. This analysis was repeated for both the grades K-8 school level (Figure 6) and the grades 9-12 school level (Figure 7).

**Figure 6: Student Generation Rates for Grades K-8 by Unit Size**

**Figure 7: Student Generation Rates for Grades K-8 by Unit Size**

Student generation rates by unit size were derived by adding the student generation rates for each school level. As such, the student generation rates are 0.194 for a unit of 1,399 square feet or less, 0.345 for a unit of 1,400 to 1,899 square feet, 0.460 for a unit of 1,900 to 2,399 square feet, 0.554 for a unit of 2,400 to 2,899 square feet, 0.632 for a unit of 2,900 to 3,399 square feet, and 0.700 for a unit of 3,400 square feet or more. These rates are shown below in Figure 8



**Figure 8: Student Generation Rates by Unit Size**

<b>Dwelling Unit Size</b>	<b>School Level</b>		
	<i>K-8</i>	<i>9-12</i>	<i>Total</i>
<i>1,399 square feet or less</i>	0.136	0.058	0.194
<i>1,400 - 1,899 square feet</i>	0.234	0.111	0.345
<i>1,900 - 2,399 square feet</i>	0.308	0.152	0.460
<i>2,400 - 2,899 square feet</i>	0.369	0.185	0.554
<i>2,900 - 3,399 square feet</i>	0.419	0.213	0.632
<i>3,400 square feet or more</i>	0.463	0.237	0.700

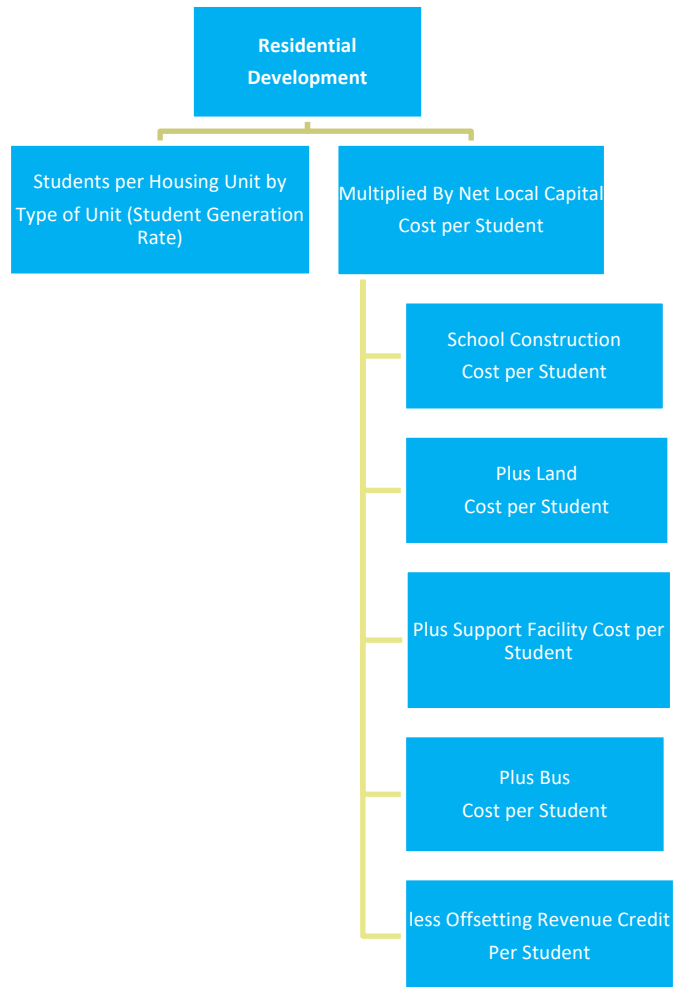
## EDUCATION FACILITY IMPACT FEES: WILLIAMSON COUNTY SCHOOLS

### METHODOLOGY

The Williamson County Schools education facility impact fee methodology is based on current average public school student generation rates, level-of-service standards, and local costs. Figure 9 illustrates the methodology used to calculate the fee. The education facility impact fees use an incremental expansion approach, which documents the current levels-of-service for public facilities in both quantitative and qualitative measures. The intent is to use impact fee revenue to expand or provide additional facilities, as needed to accommodate new development, based on the current level-of-service standards and costs to provide capital improvements. All school levels are included in the fees. Costs for school buildings, land, support facilities, and buses are included in the fee. Finally, a credit for offsetting revenue is also included.

Demand for additional school capacity will come from new residential development. To determine the level of this demand, student generation rates are used. The term “student generation rate” refers to the number of public school students per housing unit in the Williamson County School system. Public school students are a subset of school-aged children, which includes students in private schools and home-schooled children.

Student generation rates are important demographic factors that help account for variations in demand for school facilities by type of housing. Students per housing unit are held constant over the projection period since the impact fees represent a “snapshot approach” of current level-of-service standards and costs.

**Figure 9. Impact Fee Methodology Chart**

### BUILDING LEVEL OF SERVICE STANDARDS

This section provides current inventories of elementary, middle, and high schools in the Williamson County School system. The data contained in these tables are used to determine infrastructure standards for school buildings and sites on which the impact fees are based.

#### WCS Elementary and Middle Schools (K-8)

The inventory and current level-of-service for Williamson County elementary and middle schools are shown below in Figure 10. Elementary and middle school buildings have a total of 4,000,307 square feet of floor area on 1,004.16 acres of land. In August 2019, total enrollment in all elementary and middle schools was 26,996, or 83% of permanent capacity (33,251). Level-of-service factors for Williamson County elementary and middle schools are also shown in Figure 10. Since enrollment is presently lower than capacity, capacity is used to determine the level-of-service standards for elementary and middle school buildings and acreage highlighted in the figure below. ***The level-of-service factors on which the impact fees are based are 120.31 square feet and 0.031 acres per student.***

**Figure 10. Elementary and Middle Schools Level-of-Service Standards (K-8)**

<b>ELEMENTARY AND MIDDLE SCHOOLS (Grades K-8) [1]</b>					
<b>Inventory, Enrollment, and Utilization</b>					
<b>Facility</b>	<b>Site Acreage</b>	<b>Building Square Footage</b>	<b>Permanent Capacity</b>	<b>Enrollment (8/12/2019) [1]</b>	<b>Utilization</b>
Allendale ES	25.00	118,992	890	680	76%
Bethesda ES	22.00	84,102	780	517	66%
Brentwood MS	25.00	119,395	1,500	1,323	88%
Chapman's Retreat ES	20.00	86,600	805	707	88%
Clovercroft ES	22.72	118,992	890	754	85%
College Grove ES	20.00	68,569	730	632	87%
Creeside ES	64.00	121,000	890	516	58%
Crockett ES [2]	19.85	93,182	870	648	74%
Edmondson ES	20.00	85,221	825	756	92%
Fairview ES	11.50	58,581	715	509	71%
Fairview MS	10.00	109,997	764	548	72%
Grassland ES	25.00	90,000	870	561	64%
Grassland MS	32.00	150,522	1,160	990	85%
Heritage ES	30.00	82,000	805	612	76%
Heritage MS	41.00	127,843	1,185	1,012	85%
Hillsboro ES	37.00	113,152	597	600	101%
Hunters Bend ES	20.00	68,625	780	478	61%
Jordan ES	73.00	121,000	890	413	46%
Kenrose ES	20.00	92,048	910	775	85%
Lipscomb ES	26.00	78,435	780	628	81%
Longview ES	21.00	121,000	935	884	95%
Mill Creek ES/MS [3]	45.52	234,000	1,600	1,516	95%
Nolensville ES	16.90	118,000	890	775	87%
Oak View ES	20.00	73,800	695	369	53%
Page MS	25.00	190,688	1,200	1,118	93%
Pearre Creek ES	14.00	118,992	890	653	73%
Scales ES	25.00	83,544	940	806	86%
Spring Station MS	35.00	137,200	971	1,033	106%
Sunset ES/MS	64.00	215,950	1,674	1,307	78%
Thompson Station ES/MS	76.00	235,000	1,600	1,385	87%
Trinity ES	21.00	86,661	870	792	91%
Walnut Grove ES	19.00	97,474	780	578	74%
Westwood ES	22.00	86,805	805	525	65%
Winstead ES	22.90	90,110	790	587	74%
Woodland MS [2]	12.77	122,827	975	1,009	103%
<b>Total</b>	<b>1,004.16</b>	<b>4,000,307</b>	<b>33,251</b>	<b>26,996</b>	<b>81%</b>

**Elementary and Middle School Levels of Service**

	<i>Demand Units (Permanent Capacity)</i>	<i>Site Acreage</i>	<i>Building Square Footage</i>
LOS per Student based on Capacity	33,251	0.030	120.31

[1] Does not include PK/EC

[2] Shared campus. Acreage is derived as a percentage of shared campus building square footage devoted to each school level.

[3] Located on same land as Nolensville High; acreage derived as a percentage of square footage.

## WCS High Schools

The inventory and current levels-of-service for WCS high schools are shown below in Figure 11. High school buildings have a total of 2,342,941 square feet of floor area on 488.88 acres of land. In August 2019, total enrollment in all high schools was 13,517, or 91% of permanent capacity (14,827). Level-of-service factors for Williamson County high schools are also shown in Figure 11. Since enrollment is presently lower than capacity, capacity is used to determine the level-of-service standards for high school buildings and acreage, highlighted in the figure below. ***The level-of-service factors on which the impact fees are based are 158.02 square feet and 0.033 acres per student.***

**Figure 11. High Schools Level-of-Service Standards**

HIGH SCHOOLS (Grades 9-12) [1] Inventory, Enrollment, and Utilization					
Facility	Site Acreage	Building Square Footage	Permanent Capacity	Enrollment (8/12/2019) [1]	Utilization
Brentwood HS	32.00	299,032	2,000	1,727	86%
Centennial HS	55.00	263,134	1,758	1,655	94%
Fairview HS	34.00	198,730	1,042	721	69%
Franklin HS	39.40	305,989	2,000	1,752	88%
Independence HS	83.55	299,529	1,671	1,892	113%
Nolensville HS	50.48	259,495	1,671	1,163	70%
Page HS	41.00	187,550	1,215	1,131	93%
Ravenwood HS	80.00	253,482	1,649	1,671	101%
Renaissance HS	1.72	17,000	150	182	121%
Summit HS	71.73	259,000	1,671	1,623	97%
<b>Total</b>	<b>488.88</b>	<b>2,342,941</b>	<b>14,827</b>	<b>13,517</b>	<b>91%</b>

### High School Levels of Service

	Demand Units (Permanent Capacity)	Site Acreage	Building Square Footage
LOS per Student based on Capacity	14,827	0.033	158.02

[1] Does not include EC

## LAND ACQUISITION COSTS

Williamson County Schools will need to purchase land for future school sites to accommodate school capital needs brought about by growth in the County. As shown in Figure 12 below, Williamson County Schools has acquired 279.86 acres since 2013 at a total cost of \$19,027,091. This results in an average cost per acre of \$67,988.

**Figure 12. Land Acquisition Costs**

Facility	Year	Acreage	Cost	Cost per Acre
Jordan Elementary/Middle	2016	73.00	\$8,700,000	\$119,178
Creekside Elementary	2018	64.00	\$2,390,000	\$37,344
Nolensville High and Mill Creek Elementary and Middle	2013	96.00	\$4,010,577	\$41,777
Thompson's Station Elementary and Middle	2016	46.86	\$3,926,514	\$83,792
<b>Total</b>		<b>279.86</b>	<b>\$19,027,091</b>	<b>\$67,988</b>

Source: Williamson County Schools

## SCHOOL CONSTRUCTION COSTS

TischlerBise analyzed costs for school construction for Williamson County Schools. Costs for recently completed school projects were provided by Williamson County Schools. Current school costs represent the average costs to construct elementary and middle schools and high schools in the Williamson County School system. As shown in Figure 13, construction costs for elementary/middle schools range between \$173 and \$221 per square foot, with a weighted average cost of \$196.49. The average cost per square foot assumption for the high school level is based on the recently completed Nolensville High School, which had an average cost per square foot of \$176.46. These figures do not include the cost of land.

**Figure 13. School Project Costs**

Facility	Square Footage	Cost	Cost per Square Foot
Jordan Elementary School	121,000	\$26,233,549	\$216.81
Creekside Elementary School	121,000	\$26,810,000	\$221.57
Thompson Station Elementary/Middle School	235,000	\$41,073,486	\$174.78
<b>Total</b>	<b>477,000</b>	<b>\$94,117,035</b>	<b>\$197.31</b>
Nolensville High	259,495	\$45,789,423	<b>\$176.46</b>

Source: Williamson County Schools

## SUPPORT FACILITIES LEVEL-OF-SERVICE AND COSTS

The impact fees also include costs to provide support facilities such as administrative office space, maintenance facilities, and storage buildings. The Williamson County Schools support facilities are shown below in Figure 14 and total 56,673 square feet. This figure is divided by the August 2019 enrollment of 40,513 to yield a level-of-service of 1.38 square feet per student. This level-of-service standard is then multiplied by a replacement cost estimate of \$165 per square foot (provided by WCS staff), resulting in a cost per student of \$230.82.

**Figure 14. Support Facilities Level-of-Service and Costs**

Facility	Square Footage
Operations Support Bldg.	28,012
Textbook Bldg.	8,871
Transportation	13,674
Equipment Shed.	6,116
<i>Total</i>	<i>56,673</i>
Cost per sq. ft. *	\$165
Total Replacement Cost	\$9,351,045
Enrollment (8/12/2019)	40,513
Square Feet per Student	<b>1.40</b>
Cost per Student	<b>\$230.82</b>

*\*Provided by County Staff*

### BUS LEVEL-OF-SERVICE AND COSTS

Another infrastructure component included in the impact fee is buses. New buses, both regular and those designed to serve students with special needs, will need to be purchased to accommodate increased enrollment. Williamson County Schools currently owns a fleet of 235 regular buses and 65 special education buses. The current value of the fleet is estimated at approximately \$28.3 million, which equates to a current cost of \$698.55 per student (\$28,300,535 / 40,513 enrollment). Level-of-service and costs are provided below in Figure 15 for the Williamson County School fleet.

**Figure 15. Buses Level-of-Service and Costs**

Type	Units	Unit Cost	Total
78 Passenger Bus	48	\$85,903	\$4,123,344
84 Passesnger Bus	187	\$95,633	\$17,883,371
Special Education	65	\$96,828	\$6,293,820
<i>Total</i>	<b>300</b>	<b>\$94,335</b>	<b>\$28,300,535</b>
<i>Average</i>		\$94,335	
Enrollment (8/12/2019)			40,513
Buses per Student			0.007
<b>Cost Per Student</b>			<b>\$698.55</b>

Source: Williamson County Schools

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## CREDIT FOR OFFSETTING REVENUES

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Because the County imposes two privilege taxes on new development, a credit is necessary since new residential units that will pay the education facility impact fee will also contribute to future school capacity projects through the payment of one-time privilege taxes.

The County has two privilege taxes, one dedicated to schools with 30% going to the municipalities, and another which the County has sole discretion on its use, including allocating revenue to schools. In addition, the County allocates varying percentages of privilege tax to debt service, meaning there is an annual fluctuation of revenue from both privilege tax and General Fund revenue that could potentially be construed as a “double payment.” There is also General Fund and privilege tax revenue that can potentially be used for non-debt expenditures on capacity and/or technology, etc. Rather than devise a complicated credit system requiring annual adjustments, based on budgeted expenditures or some other alternative, we are proposing a rather straightforward method, which is conservative in nature, meaning we are probably overestimating the credit.

As shown in Figure 16, the majority of growth-related capital costs for growth-related schools are funded through bonded debt. Conversations with Williamson County indicate suggest that we include a credit for offsetting revenue for existing principal and interest on existing debt service payments shown in Figure 16. Annual principal and interest payments are divided by projected student enrollment in each year to get a per student credit. (For example, in FY 2020, the total amount of K-8 principal and interest to be paid of \$27,558,035 is divided by projected enrollment of 26,996 for a payment per student of \$1020.82.) To account for the time value of money, annual payments per student are discounted using a net present value formula based on an average current interest rate of 2.32 percent. The total net present value of future principal payments per student is \$10,023.30. This amount is subtracted from the gross capital cost per student amount to derive a net capital cost per student for school facilities. The same calculation is completed for Grades 9-12, resulting in a credit of \$12,009.04.



**Figure 16. Credit for Offsetting Revenues****Grades K-8**

Year	Principal and Interest	Projected Enrollment [1]	Payment per Student
2020	\$27,558,035	26,996	\$1,020.82
2021	\$31,344,188	28,959	\$1,082.36
2022	\$28,794,407	30,129	\$955.70
2023	\$27,906,577	31,311	\$891.27
2024	\$27,778,158	32,490	\$854.98
2025	\$31,553,542	33,864	\$864.44
2026	\$29,272,885	35,237	\$778.16
2027	\$27,420,030	36,611	\$748.97
2028	\$25,368,650	37,984	\$667.88
2029	\$23,662,708	39,358	\$601.22
2030	\$22,101,994	40,731	\$542.63
2031	\$20,260,319	42,105	\$481.19
2032	\$20,252,819	43,478	\$465.82
2033	\$20,285,109	44,852	\$452.27
2034	\$19,934,063	46,225	\$431.24
2035	\$13,901,675	47,599	\$292.06
2036	\$12,884,788	48,972	\$263.11
2037	\$11,887,756	50,346	\$236.12
2038	\$9,224,950	51,719	\$178.37
2039	\$3,629,600	53,093	\$68.36
<b>Total</b>	<b>\$435,022,253</b>		<b>\$11,876.98</b>
Discount Rate [2]			2.32%
<b>Net Present Value</b>			<b>\$10,023.30</b>

[1] Enrollment beyond SY 2023-24 projected using average annual increase from SY 2019-20 to SY 2023-24

[2] Interest rate at which the County has recently issued debt

**Grades 9-12**

Year	Principal and Interest	Projected Enrollment [1]	Payment per Student
2020	\$21,350,700	13,517	\$1,579.54
2021	\$19,743,974	14,157	\$1,394.64
2022	\$17,413,245	14,700	\$1,184.57
2023	\$17,356,161	15,231	\$1,139.53
2024	\$17,061,387	15,784	\$1,080.93
2025	\$16,244,495	16,351	\$993.50
2026	\$14,891,961	16,918	\$880.27
2027	\$14,380,643	17,484	\$822.49
2028	\$14,107,648	18,051	\$781.54
2029	\$13,393,991	18,618	\$719.42
2030	\$12,893,136	19,185	\$672.06
2031	\$10,681,424	19,751	\$540.80
2032	\$10,655,536	20,318	\$524.44
2033	\$10,659,666	20,885	\$510.40
2034	\$10,373,779	21,452	\$483.59
2035	\$5,118,826	22,018	\$232.48
2036	\$3,772,191	22,585	\$167.02
2037	\$3,771,516	23,152	\$162.90
2038	\$3,568,988	23,719	\$150.47
2039	\$1,216,800	24,285	
<b>Total</b>	<b>\$238,656,067</b>		<b>\$14,020.62</b>
Discount Rate [2]			2.32%
<b>Net Present Value</b>			<b>\$12,009.04</b>

[1] Enrollment beyond SY 2023-24 projected using average annual increase from SY 2019-20 to SY 2023-24

[2] Interest rate at which the County has recently issued debt

## MAXIMUM SUPPORTABLE EDUCATION FACILITY IMPACT FEES FOR WILLIAMSON COUNTY SCHOOLS

Factors used to derive the Williamson County School impact fee are summarized in Figure 17. Education facility impact fees are based on student generation rates (i.e., public school students per housing unit) and are only assessed against residential development. Level-of-service standards are based on current costs per student for school buildings, land, support facilities, and buses, as described in the previous sections and summarized below.

The total gross capital cost per student is the sum of the boxed cost components. For example, for the elementary and middle school component, the calculation is as follows:  $\$23,738$  [building construction] +  $\$2,053$  [land acquisition] +  $\$231$  [support facilities] +  $\$699$  [buses] =  $\$26,720$  total gross cost per student. The credit for offsetting revenue ( $\$10,023$ ) is then subtracted from the gross local capital cost per student to derive the net local capital cost per student ( $\$16,697$ ) for elementary and middle schools. The same approach is followed for high schools.

Figure 17. Education Facility Impact Fee Input Variables

INPUT VARIABLES: Williamson Co. Schools			
<i>Public School Students per Housing Unit</i>	School Level		
	<i>K-8</i>	<i>9-12</i>	<i>Total</i>
<b>Dwelling Unit Size</b>			
<i>1,399 square feet or less</i>	0.136	0.058	0.194
<i>1,400 - 1,899 square feet</i>	0.234	0.111	0.345
<i>1,900 - 2,399 square feet</i>	0.308	0.152	0.460
<i>2,400 - 2,899 square feet</i>	0.369	0.185	0.554
<i>2,900 - 3,399 square feet</i>	0.419	0.213	0.632
<i>3,400 square feet or more</i>	0.463	0.237	0.700
<b>Current Level of Service Standards</b>			
	<i>K-8</i>	<i>9-12</i>	
Square Feet per Student	120.31	158.02	
Cost per Sq. Ft.	\$197	\$176	
Building Construction Cost per Student	\$23,738	\$27,883	
Acres per Student	0.030	0.033	
Cost per Acre	\$67,988	\$67,988	
Land Cost per Student	\$2,053	\$2,242	
Operations/Support Facilities per Student (Sq. Ft.)	1.40	1.40	
Cost per Sq. Ft.	\$165	\$165	
Operations/Support Facility Cost per Student	\$231	\$231	
Buses/Vehicles per Student	0.007	0.007	
Weighted Average Cost per Bus/Vehicle	\$94,335	\$94,335	
Bus/Vehicle Cost per Student	\$699	\$699	
<b>Total Gross Cost Per Student</b>	<b>\$26,720</b>	<b>\$31,054</b>	
Credit for Offsetting Revenue per Student	(\$10,023)	(\$12,009)	
<b>Total Net Capital Cost per Student</b>	<b>\$16,697</b>	<b>\$19,045</b>	

Figure 18 shows the schedule of maximum supportable impact fees for WCS by unit size. The fees are calculated by multiplying the student generation rate for each housing type (shown at the top of Figure 18) by the net capital cost per student for both types of school. Each component is then added together to derive the total public school impact fee.

For example, for a unit sized 1,400 to 1,899 square feet, the grades K-8 school portion of the fee is calculated by multiplying the student generation rate of 0.234 by the net local capital cost per K-8 student of \$16,697, which results in a fee of \$3,907 (truncated). This calculation is repeated for high schools

(grades 9-12). The two portions of the fee are added together to calculate the total fee by type of residential unit (i.e., for a unit sized 1,400 to 1,899 square feet: \$3,907 + \$2,114 = \$6,021.)<sup>1</sup>

**Figure 18. Maximum Supportable Education Facility Impact Fees: WCS**

<b>INPUT VARIABLES: Williamson Co. Schools Impact Fees</b>			
<b>Public School Students per Housing Unit</b>	<b>School Level</b>		
	<i>K-8</i>	<i>9-12</i>	<i>Total</i>
<b>Dwelling Unit Size</b>			
1,399 square feet or less	0.136	0.058	0.194
1,400 - 1,899 square feet	0.234	0.111	0.345
1,900 - 2,399 square feet	0.308	0.152	0.460
2,400 - 2,899 square feet	0.369	0.185	0.554
2,900 - 3,399 square feet	0.419	0.213	0.632
3,400 square feet or more	0.463	0.237	0.700
<b>Cost Factors</b>			
Total Net Local Capital Cost per Student	<b>\$16,697</b>	<b>\$19,045</b>	
<b>MAXIMUM ALLOWABLE EDUCATION FACILITY IMPACT FEES: Williamson Co. Schools</b>			
<b>Impact Fee per Housing Unit*</b>	<i>K-8</i>	<i>9-12</i>	<b>TOTAL</b>
<b>Dwelling Unit Size</b>			
1,399 square feet or less	\$2,271	\$1,105	<b>\$3,375</b>
1,400 - 1,899 square feet	\$3,907	\$2,114	<b>\$6,021</b>
1,900 - 2,399 square feet	\$5,143	\$2,895	<b>\$8,038</b>
2,400 - 2,899 square feet	\$6,161	\$3,523	<b>\$9,685</b>
2,900 - 3,399 square feet	\$6,996	\$4,057	<b>\$11,053</b>
3,400 square feet or more	\$7,731	\$4,514	<b>\$12,244</b>

*\*Fees do not apply to age-restricted units*

As noted above, Williamson County is served by two school systems, Williamson County Schools and the Franklin Special School District. Students living in FSSD attend these schools from kindergarten to eighth grade, after which they attend WCS high schools. This report details only impact fees for Williamson County Schools. New residential construction located in FSSD will be charged for only the high school component of the WCS impact fee, since students generated from these homes will only attend WCS for high school. Figure 19 provides the schedule of *maximum supportable school impact fees* within FSSD boundaries by unit size. For example, for a unit sized 1,400 to 1,899 square feet, the fee is \$2,114.

<sup>1</sup> Because the analysis uses figures carried to their ultimate decimal places, the sums and products shown may not equal the sum or product if the reader replicates the calculation with the factors shown in the report.

**Figure 19. WCS Maximum Supportable Education Facility Impact Fees within Franklin Special School District**

<b>INPUT VARIABLES: Williamson Co. Schools Impact Fees</b> (within Franklin Special School District boundaries)	
<b>Public School Students per Housing Unit</b>	<b>School Level</b>
	<b>9-12</b>
<b>Dwelling Unit Size</b>	
1,399 square feet or less	<b>0.058</b>
1,400 - 1,899 square feet	<b>0.111</b>
1,900 - 2,399 square feet	<b>0.152</b>
2,400 - 2,899 square feet	<b>0.185</b>
2,900 - 3,399 square feet	<b>0.213</b>
3,400 square feet or more	<b>0.237</b>
<b>Cost Factors</b>	
Total Net Local Capital Cost per Student	<b>\$19,045</b>
<b>MAXIMUM ALLOWABLE EDUCATION FACILITY IMPACT FEES: Williamson Co. Schools</b> (within Franklin Special School District boundaries)	
<b>Impact Fee per Housing Unit*</b>	<b>School Level</b>
	<b>9-12</b>
<b>Dwelling Unit Size</b>	
1,399 square feet or less	<b>\$1,105</b>
1,400 - 1,899 square feet	<b>\$2,114</b>
1,900 - 2,399 square feet	<b>\$2,895</b>
2,400 - 2,899 square feet	<b>\$3,523</b>
2,900 - 3,399 square feet	<b>\$4,057</b>
3,400 square feet or more	<b>\$4,514</b>

\*Fees do not apply to age-restricted units

## IMPLEMENTATION AND ADMINISTRATION

### ACCOUNTING

Impact fees should be paid at time of building permit. Certain accounting procedures should be followed by the County. For example, monies received should be placed in a separate fund and accounted for separately and may only be used for the purposes authorized in the impact fee ordinance. Interest earned on monies in the separate fund should be credited to the fund.

### SITE-SPECIFIC CREDITS

A site-specific credit should be considered for contributions of system improvements that have been included in the impact fee calculations. If a developer constructs the type of system improvements included in the fee calculations, it will be necessary to either reimburse the developer or provide a credit against the fees for that portion of the fee. The latter option is more difficult to administer because it creates unique fees for specific geographic areas. Based on TischlerBise's experience, it is better for the County to establish a reimbursement agreement with the developer constructing the system improvement. The reimbursement agreement should be limited to a payback period of no more than ten years and the County should not pay interest on the outstanding balance. The developer must provide sufficient documentation of the actual cost incurred for the system improvement. The County should only agree to pay the lesser of the actual construction cost or the estimated cost used in the impact fee analysis. If the County pays more than the cost used in the fee analysis, there will be insufficient fee revenue. Reimbursement agreements should only obligate the County to reimburse developers annually according to actual fee collections from the benefiting area.

### COLLECTION AND EXPENDITURE ZONES

The reasonableness of impact fees is determined in part by their relationship to the local government's burden to provide necessary public facilities. The need to show a substantial benefit usually requires communities to evaluate collection and expenditure zones for public facilities that have distinct geographic service areas. For the County School system, one area is appropriate because capacity improvements are needed at all levels throughout the County system and County schools will occasionally re-district to accommodate growth and available capacity.